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Holiday Greetings

BULLETIN

Market Administrator's

Published at 79 East State Street, Columbus 15, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

DECEMBER 1961

Vol. 17 No. 12

MARKET ADMINISTRATOR

MILK PRODUCTION TO REACH A NEW RECORD HIGH IN 1962

The Dairy Situation, Economic Research Service, USDA, November

Milk production has increased for two years in a row, and another significant increase, a new record, is in prospect for 1962 after declining from 1956 to 1959, it turned up slightly in 1960 and is recording a larger gain this year.

The recovery stems mostly from a marked slowdown in the downtrend of milk cow numbers. After declining 5 percent in 1958 and 4 percent in 1959, cow numbers dropped only 2 percent in 1960 and only 1 percent this year.

An important factor in the sharp decline in 1958 and 1959 was that beef cattle prices were rising from a cyclical low in 1956. But beef cattle prices in the last couple of years have been below 1959 levels, and within the last 13 months two increases have occurred in the level of price supports for milk and butterfat. These factors have influenced the market slackening in the decline in milk cow numbers. Their impact will probably continue to be reflected in larger milk production next year.

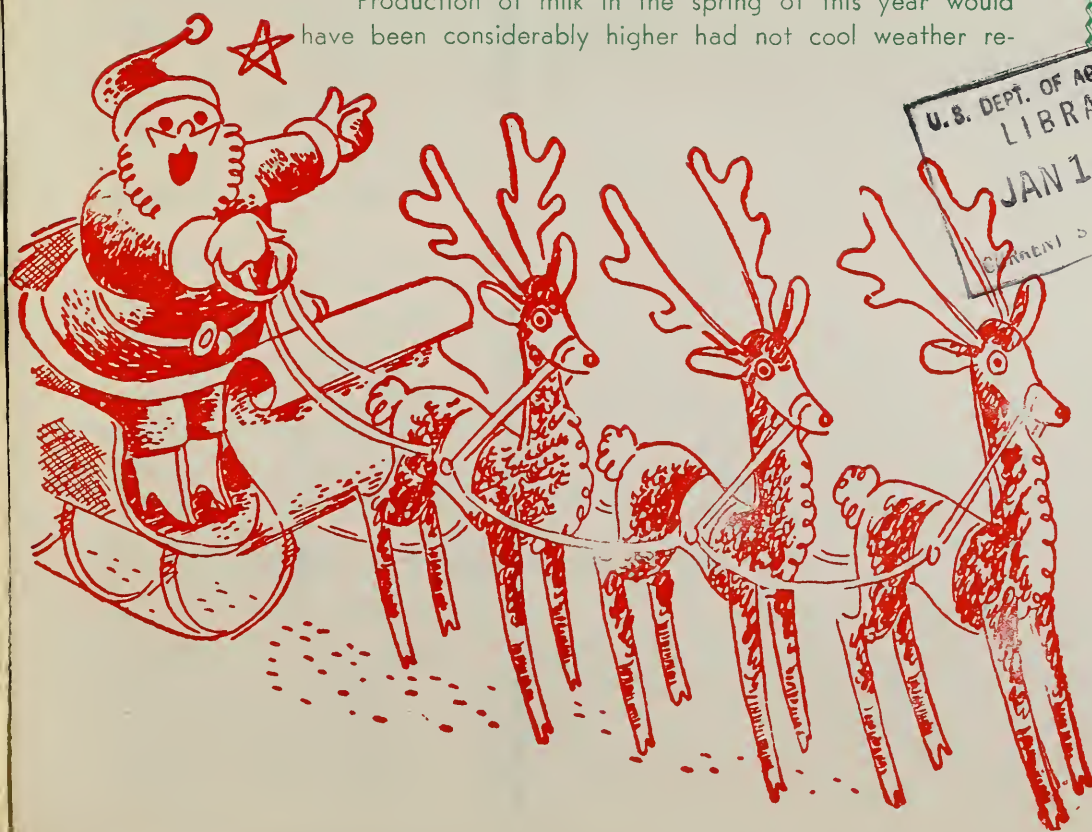
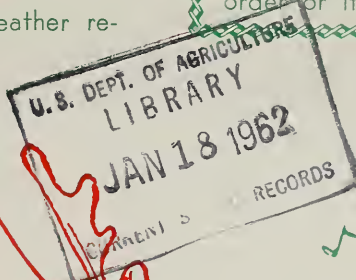
Production of milk in the spring of this year would have been considerably higher had not cool weather re-

tarded pasture development. However, after May, pastures improved, and this, together with a substantial pickup in the quantity of concentrate fed to milk cows, led to an upsurge in milk production per
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ORDER NUMBER CHANGED

Effective January 1, 1962, the number of the order regulating the handling of milk in the Columbus marketing area will be changed to Order No. 35. Also on January 1, 1962, the order as it appears in the Federal Register and the Code of Federal Regulations will be identified as Part No. 1035. The proper citation for the order will be 7 CFR 1035.

This change in numbers is being made by the Division of the Federal Register and will in no way change the terms and provisions of the order or its application.





Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each one-tenth percent	

Nov. 1961	Oct. 1961	Nov. 1960
\$4.77	\$4.79	\$4.94
5.15	5.17	5.33
4.505	4.503	4.611
4.105	4.103	4.211
3.876	3.881	4.004
3.250	3.255	3.135
7.6¢	7.6¢	7.8¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	
Percent of Producer Butterfat in Class I	
Percent of Producer Milk in Class II	
Percent of Producer Butterfat in Class II	
Percent of Producer Milk in Class III	
Percent of Producer Butterfat in Class III	
Percent of Producer Milk in Class IV	
Percent of Producer Butterfat in Class IV	

82.2	82.8	85.9
77.7	79.9	79.8
6.7	7.1	6.7
2.6	2.4	2.4
2.2	2.8	1.5
3.0	4.1	2.4
8.9	7.3	5.9
16.7	13.6	15.4

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Production per Producer	
Average Butterfat Test	
Total Value of Producers Milk at Test	
Income per Producer (7 day average)	

29,409,401	29,631,204	27,083,211
805,505	791,214	774,993
1,312	1,234	1,566
747	775	577
3.91	3.76	3.94
\$1,366,232.18	\$1,346,447.24	\$1,299,608.81
\$242.98	\$246.38	\$193.64

GROSS CLASS USE (Pounds)

Class I Skim	
Class I Butterfat	
Class I Milk	
Class II Skim	
Class II Butterfat	
Class II Milk	

23,277,100	23,646,185	22,399,692
893,565	888,981	850,109
24,170,665	24,535,166	23,249,801
2,066,019	2,213,555	1,907,706
30,132	26,924	25,886
2,096,151	2,240,479	1,933,592

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

307,166	304,519	304,991
4,421	4,759	4,722
17,165	18,934	18,875
11,359	9,388	11,359
9,091	8,669	9,136

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

Nov., 1952 - 61

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1952.....	16,751,355	4.19	85.1	12.6	2.3	—	5.18	5.232	4.832	3.75	—	2,205	253
1953.....	20,170,821	4.12	81.8	13.3	4.9	—	4.58	4.71	4.31	3.49	—	2,241	300
1954.....	21,133,079	4.05	81.9	8.2	4.5	5.4	4.15	4.31	3.91	3.91	3.23	2,171	324
1955.....	22,266,699	3.99	81.2	9.1	3.9	5.8	4.12	4.257	3.857	3.857	3.168	2,106	352
1956.....	23,100,784	3.90	83.6	8.8	3.6	4.0	4.40	4.537	4.137	4.137	3.321	1,998	385
1957.....	23,847,569	3.92	85.3	7.8	2.9	4.0	4.37	4.504	4.104	4.004	3.081	1,882	422
1958.....	23,091,764	3.89	88.1	7.9	1.3	2.7	4.37	4.434	4.034	3.934	2.887	1,729	445
1959.....	25,350,698	4.00	90.6	6.6	1.3	1.5	5.11	4.696	4.296	3.927	3.228	1,693	499
1960.....	27,083,211	3.94	85.9	6.7	1.5	5.9	4.94	4.611	4.211	4.004	3.135	1,566	577
1961.....	29,409,401	3.91	82.2	6.7	2.2	8.9	4.77	4.505	4.105	3.876	3.250	1,312	747

Relatively Small Changes In Milk Production

The Dairy Situation, Economic Research Service, USDA, November 1961

Milk production normally varies less than 2 percent per year. In only 6 of the last 35 years did the annual variation exceed 3 percent, and only twice, 4 percent. Even over a period of several years, the change in milk production is often relatively small. In 1959, milk production was about the same as in 1954. However, between these two years, substantial adjustments occurred on farms with milk cows. The number of such farms decreased 39 percent, while the average number of cows per farm increased 33 percent, and the output per cow increased 20 percent. However, from 1954 to 1959, the number of commercial dairy - type

farms decreased only 22 percent. Even so, dairy farmers still comprised about the same percentage of all commercial farms in 1959 as in 1954. From 1949 to 1954, the corresponding changes between 1949 and 1954 in all cases were much smaller.

The acceleration in the rate of change in the second five-year period reflects a combination of developments. On the one hand, the aggregate demand for milk showed only a small increase; on the other, competitive pressures, particularly for the smaller production units, were greatly intensified at the same time that economic opportunities in other lines of agriculture and in non-farm pursuits were becoming

relatively more attractive.

The production of milk in the United States has tended to increase in spurts, followed by years of relative stability. Output in the immediate post-war period remained on a plateau for about six years, after the downward adjustment from the high wartime level. A record 51½ billion pounds increase in milk production in 1953 started into motion an upsurge which ended in a record high output of 124.9 billion pounds in 1956. Declines in output during the next three years brought production to 122.0 billion pounds in 1959, from which level the recent uptrend in output has occurred.

Prospective Increase In Grain-Consuming Livestock

The Feed Situation, Economic Research Service USDA, November 1961

Based on prospects this fall, farmers will be feeding more livestock in terms of grain-consuming animal units in 1961-62 than during the 1960-61 season. More hogs are expected to be fed for market in 1961-62 and a further increase in cattle feeding now appears probable. The 1961 spring pig crop, which is being finished for market this fall, was 7 percent larger than a year earlier. The fall pig crop is expected to be about 3 percent larger than the fall crop of 1960. Prospects are for a 4 percent increase in early farrowings of the 1962 spring pig crop. This would mean that more pigs will be fed

for market at least through the first half of 1962.

Feed prices are expected to continue generally favorable in relation to prices received for fat cattle in 1961-62. Cattle feeding, which has been increasing in recent years, is expected to show a further moderate expansion in 1961-62. On October 1, the number of cattle on feed in 26 States was 8 percent greater than a year ago. The number of dairy cows on farms probably will be down slightly in 1961-62, but dairymen are expected to continue to feed their cows liberally. On October 1, the rate of feeding per cow was about 8 percent above the previous

year and 32 percent higher than the 1950-59 average.

Poultry production in 1961-62 is expected to be about as large as in 1960-61. The number of layers on farms October 1 totaled 295 million birds, 2 percent above a year earlier. But with fewer potential layers on farms, the nation's laying flock may be slightly lower than last year, this winter and into the spring of 1962. Broiler production in 1961-62 is expected to be close to the 1960-61 level. The upward trend in broiler production, which has persisted over the past several years, appears less certain in 1961-62 than in other recent years.

MILK PRODUCTION . . .

(Continued from Front Page)

cow. In part of 1960 and in early 1961, output per cow had failed to show the year-to-year gains which had characterized the 1955-59 period.

As 1961 progresses, increasing milk production, together with some reduction in quantities used for fluid purposes, partially counteracted the recent increases in the level of price supports. In September, for the first time, the price received by farmers for all wholesale milk, at \$4.35 per hundredweight, dropped below a year ago and is likely to continue below year-ago levels through the first quarter of 1962. In addition, the price of dairy ration will probably begin to move a little higher, reflecting the recent increases in price supports for feed grains. The up-trend in feed prices may continue well through 1962. Despite a little higher feed prices, milk production is still likely to expand next year, because milk-feed price relationship, though lower than 1961, will still be relatively favorable in comparison to long-term averages. In addition, beef cattle prices are likely to show little change in 1962, compared with 1961, and therefore will not tend especially to encourage the movement of farmers out of dairying or to promote heavier culling of milk cows.

Stable beef cattle prices at present levels may provide even less of a downward pressure on milk production in 1962 than might generally be expected. The reason for this is that the two recent increases

in price supports had relatively more effect on prices in those regions where the shift from milk to beef production has been most pronounced. Prices in the central regions of the country have generally been above 1960 since the beginning of the year. On the other hand, lower prices than a year ago have prevailed in the Northeast and South Atlantic States. Since May, prices in all areas have been drifting lower relative to a year earlier, and in September only prices in the North Central States were higher than in 1960.

It is likely that the near-term potential for increased milk production in the middle part of the country is stronger than pressures in the form of relatively lower prices making for declines in the Northeast and Pacific regions. This supposition is supported by changes that

have already occurred in those States for which monthly production estimates are available. Output in those States where prices have declined the most has continued to increase or has tended to be stabilized near year-ago levels. In the central part of the country, however, increases in production in response to the relatively more favorable prices appears to be gathering momentum.



*The Market Administrator
and his Staff
Wish You A Happy
Holiday Season*

Market Quotations

November
1961

MIDWEST CONDENSERIES 3.5% per Cwt.	\$3.206
4 CONDENSERIES (Cincinnati) 3.5% per Cwt. (Estimated)	2.875
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.912
Evaporated Milk Code Price, 3.5% per Cwt.	2.908
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.3623
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.300
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.324
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo)	3.198
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State, North Central O.)	3.199
Average Weekly Cheddars price per lb.3525
Average price per lb. non-fat dry milk solids, roller process, delivered in Chicago15675
Average price per lb. 92-score butter at Chicago60466
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant1507

THE *Market* Administrator's BULLETIN



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